Item 1008-D

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96TH CONGRESS, 2d Session | HOUSE OF REPRESENTATIVES | REPORT No. 96-1484

FURTHER CONTINUING APPROPRIATIONS, 1981

DECEMBER 1, 1980.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. WHITTEN, from the Committee on Appropriations, submitted the following

COMPLETE ORIGINAL

REPORT

[To accompany H.J. Res. 637]

The Committee on Appropriations, to whom was referred House Joint Resolution 637, making further continuing appropriations for the fiscal year 1981, and for other purposes, report the same to the House with amendments and with the recommendation that the joint resolution as amended be passed:

The amendments are as follows:

1. In Sec. 101, strike out subsection (b) and insert in lieu thereof the following:

> (b) Notwithstanding section 10 of Public Law 91-672, and section 15(a) of the Act entitled, "An Act to provide certain basic authority for the Department of State", approved August 1, 1956, as amended, such amounts as may be necessary for continuing projects or activities which were conducted in fiscal year 1980 and would be provided for in H.R. 7854, the Foreign Assistance and Related Programs Appropriation Act, 1981, as reported July 29, 1980. at a rate of operations not in excess of the rate which would have been provided under the terms of the conference report (House Report 96-787), and in accordance with associated agreements stated in the Joint Explanatory Statements of the Committee of Conference, accompanying H.R. 4473, except that funds for Cyprus shall be at the rate and manner provided in fiscal year 1980, and for Operating Expenses of the Agency for International Development the rate for operations shall be at an annual rate of $280,000,000: *Provided*, That not more than $105,700,000 of

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this amount shall be for AID/Washington Operating Expenses: *Provided further*, That the rate for Foreign Military Credit Sales shall be at the rate and manner contained in H.R. 7854 as reported by the Committee on Appropriations July 29, 1980.

2. Further amend Sec. 101(b) by striking the period at the end thereof and inserting the following:

: *Provided further*, That of the $73,000,000 available for International Disaster Assistance, not less than $50,000,000 shall be for relief, rehabilitation and reconstruction assistance for the victims of the earthquake in southern Italy in November, 1980

3. Further amend Sec. 101(b) by adding immediately following the preceding amendment the following:

: *Provided further*, That out of existing funds provided for the Agency for International Development, $2,000,000 shall be used for the African Development Foundation.

4. In Sec. 101(c), immediately after the word "Office" insert the following:

, and the last proviso under the heading "Government Printing Office, Office of Superintendent of Documents, Salaries and Expenses" in H.R. 7593 shall not apply,

5. In Sec. 101(c), strike "June 15", and insert in lieu thereof "June 5".

6. Further amend Sec. 101(c) by inserting immediately after the period the following:

Notwithstanding section 102(c) of this joint resolution, for mileage of Members, as authorized by law, $210,000.

7. In Sec. 101(e), immediately following the semicolon in the fourth unnumbered clause thereof, insert the following:

Notwithstanding paragraph 1393(a) of the Education Amendments of 1980, paragraph 446 of such Amendments shall be effective on July 1, 1981;

8. In Sec. 101(j), strike "$1,800,000,000" and insert in lieu thereof "$1,850,000,000".

9. In Sec. 102(c), strike "June 15", and insert in lieu thereof "June 5".

10. After Sec. 118, insert the following:

SEC. 119. The Administrator of the Small Business Administration, pursuant to Section 4(c)(5)(A) of the Small Business Act, as amended, is authorized to issue notes to the Secretary of the Treasury in an amount not to exceed $600,000,000 for the purpose of providing Disaster Loans in addition to the amount provided for such purpose in H.R. 7584 as adopted by the House of Representatives on November 21, 1980, and to transfer an amount not to exceed $10,000,000 to "Salaries and Expenses".

11. Insert a new section as follows:

SEC. 120. Notwithstanding any other provision of this joint resolution there is hereby appropriated an additional

$119,000,000 to increase the capital of the General Supply Fund established by Section 109 of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 756).

12. Insert a new section as follows:

SEC. 121. Notwithstanding any other provision of this joint resolution, there is hereby appropriated an additional amount for capital outlay, Panama Canal Commission, of $10,210,000 for navigation projects to be derived from the Panama Canal Commission Fund and to remain available until expended: *Provided,* That all such funds be derived solely from tolls and other charges for services provided by the Panama Canal Commission.

13. Insert a new section as follows:

SEC. 122. None of the funds made available to the Department of the Treasury by this joint resolution shall be used to implement any change in the time granted, or the mode of payment permitted, for payment of customs duties or excise taxes by regulations in effect on July 1, 1980.

14. Insert a new section as follows:

SEC. 123. Notwithstanding any other provision of this joint resolution except section 102, none of the funds made available by this joint resolution may be used to calculate or transmit, pursuant to Section 2a of Title 2 of the United States Code, the number of Representatives in Congress to which each State shall be entitled under the twentieth decennial census. This section shall not apply to any calculation or transmittal where the number of Representatives is based on a census count which includes only citizens of the United States.

15. Insert a new section as follows:

SEC. 124. Notwithstanding any other provision of this joint resolution except section 102, the expenditure of any appropriation available under this joint resolution for consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive Order issued pursuant to existing law.

16. Insert a new section as follows:

SEC. 125. None of the funds appropriated by this joint resolution may be used to disqualify, pursuant to section 411(d)(1)(B) of the Internal Revenue Code of 1954, any plan which has vesting requirements or provides for nonforfeitable rights to benefits, equal to or more stringent than 4/40.

None of the funds appropriated by this joint resolution may be used to issue an unfavorable advance determination letter, pursuant to section 411(d)(1)(B) of the Internal Revenue Code of 1954, with respect to any plan which has

vesting requirements or provides for nonforfeitable rights to benefits, equal to or more stringent than 4/40.

PROGRAMS COVERED BY THE RESOLUTION

As of this date three of the 13 regular appropriation bills have been signed into law by the President. As any other bills are signed into law, they disengage from coverage provided in this continuing resolution. The conference reports on Interior Appropriations and the State-Justice-Commerce and Judiciary Appropriations bill have passed the House and are awaiting final Senate action. In addition, the conference reports on the District of Columbia bill and the HUD-Independent Agencies bill have been filed and will be considered in the House shortly.

The Senate, just last week, has passed two additional bills on which conferences may be convened this week. These two bills are the Agriculture and Related Agencies Appropriation bill and the Defense Appropriation bill. The Senate has not yet considered three House passed appropriation bills; they are the Labor, Health and Human Services, and Education Appropriation bill, the Legislative Appropriation Bill, and the Treasury-Postal Service-General Government Appropriation bill. Only the Foreign Assistance Appropriations bill has not been brought before the House, although it was reported by the Appropriations Committee on July 29, 1980.

Final action on all appropriations bill appears in doubt prior to the sine die adjournment of the 96th Congress. Consequently, the accompanying resolution provides continuing authority until June 5, 1981, or to September 30, 1981 for a few specific purposes. The adoption of the resolution is absolutely essential.

LEVELS OF FUNDING UNDER THE RESOLUTION

In summary, the operating levels which obtain under the resolution are as follows:

1. Section 101(a) provides continuing authority for three of the 13 regular appropriation bills. Under this section, where the particular appropriation bill has passed only the House as of October 1, 1980, the rate of operation shall not exceed the rate provided by the House. The three bills provided for under this subsection include: Defense; Labor, Health and Human Services, and Education; and Treasury, Postal Service and General Government.

The House Appropriations Committee directs the Postal Service to continue six-day delivery of mail as at present, including Saturday delivery of mail in business and residential areas and on rural delivery routes.

INTERNAL REVENUE SERVICE REGULATION

The Committee considered placing in the Resolution the following language:

> No amounts appropriated by this Act, or by any other Act, may be used to carry out that portion of Internal Revenue Regulation 20.2032A-3 which would have the effect of excluding from the definition of the term trade or business (as such term is used for purposes of determining a

qualified use) the passive rental of property by a decedent to a member of the decedent's family (within the meaning of section 2032A(e)(2) of the Internal Revenue Code of 1954).

This language is included instead in the report in the belief that the Internal Revenue Service will carefully review the regulation and take such action as may be necessary to relieve what appears to be an unfair discrimination.

2. Section 101(b) provides continuing authority for the foreign assistance programs at the rate provided for in the conference report for fiscal year 1980 with certain exceptions (H. Rept. 96-787).

AFRICAN REFUGEE ASSISTANCE

The committee recommends that at least $69 million be provided on an annual basis to meet the medical, nutritional and other needs of African refugees.

There are well over two million refugees in Africa, ten times as many as were produced by the 1979 Cambodia crisis. Yet, these refugees have received much less international attention and support, and the poverty of the host nations leaves them incapable of supporting these refugees. As a result, current reports indicate that 300 refugees are dying every day in Somalia alone.

Thus, the committee believes that additional steps need to be taken by the Office of Refugee Programs to meet this problem. The committee also urges the Office to carefully consider making funds available for equipment and associated items that are needed to insure that food aid is properly distributed.

3. Section 101(c) provides continuing authority for the legislative branch through June 5, 1981 at the rate and under the provisions of the House-passed bill (including the salary pay cap limitations for executive, legislative and judicial employees and officials). The committee urges the Comptroller General to use the authority made available in the Staggers Rail Act of 1980 (Public Law 96-448) to begin essential activities of the Railroad Accounting Principles Board until such time as an appropriation request is formalized and evaluated. The Committee has provided funding for the mileage of Members of the House of Representatives as authorized by 2 U.S.C. 43, and directs that the Sergeant at Arms make payments from this fund only upon certification of performance. The Committee has terminated a provision of H.R. 7593 which prohibited the use of funds for the international exchange of U.S. Government publications for the Soviet Union, Cuba, or Iran. While the Committee remains concerned that sensitive materials have been exchanged under this program, written assurances have been received from U.S. security agencies that past practices are under review, and that sensitive materials will not be available for the exchange program in the future. The Committee directs the Superintendent of Documents, with the cooperation of the Smithsonian Institution and the Library of Congress, to report to the House and Senate Appropriations Committees prior to fiscal year 1982 budget hearings on the results of new procedures undertaken by U.S. Government agencies to end abuses of the exchange program.

4. Section 101(d) provides continuing authority at the current rate for a number of unauthorized programs.

5. Section 101(e) provides such authority as may be necessary for a number of existing programs mandated by law.

6. Section 101(f) provides funding, as it has a number of times in the past, for the Department of Energy's Clinch River Breeder Reactor demonstration project, or project alternative, as authorized by Congress, for the period of this joint resolution. The Committee suggests that the Department should direct its full attention to considering any project modification as the lapse of time may have dictated.

7. Section 101(i) of the resolution provides an additional amount of $46,700,000 for the Department of Energy, Operating Expenses, Atomic Energy Defense Activities, and $65,300,000 for Plant and Capital Equipment, Atomic Energy Defense Activities, as requested by the Administration for atomic weapons materials production with the following revisions to the request: For Operating Expenses, $3,000,000 is provided for Production Reactor Operations—reactor safety improvements, and $4,000,000 for Special Isotopes Separations Research; for Capital Equipment, $2,000,000 is provided for Reactor Safety Improvements, and $2,000,000 for Special Isotopes Separations Research; for Construction, $1,000,000 is provided for General Plant Projects—Special Isotopes Separation Research, $2,000,000 for Project 81-T-502, Advanced Isotopes Separation Laboratory, LLNL, and $35,000,000 for Project 81-D-143, "L" Reactor Upgrade.

During peak visitation periods, Corps of Engineers lakes experience a significant increase in the level of criminal activity, necessitating the direct involvement of State and local law enforcement agencies to control these activities. The resolution extends the authority of the Corps of Engineers to contract with States and their political subdivisions for the purpose of obtaining increased law enforcement services at water resources development projects under the jurisdiction of the Secretary of the Army.

Although the Corps maintains some rangers due to the great increase in use of recreation facilities, the number of rangers authorized for the Corps is not sufficient to provide the desirable level of protection, and in 1976 the Congress authorized the Corps to contract with State for law enforcement services. That authority expired at the end of fiscal year 1979.

Under the provisions of the 1976 Act, the Corps had 240 law enforcement contracts at Corps-managed recreation areas during 1979 at 156 projects at a cost of $2.9 million. A substantial number of arrests were made for violations of State and local law at these facilities. However, the number of arrests in no way actually reflects the effectiveness of the law enforcement contracts. In many instances the high visibility of law enforcement officers at a recreation area served as a deterrent to crime.

Although both House of Congress have passed legislation providing for law enforcement assistance and the fiscal year 1981 Energy and Water Development Appropriation Bill contains $4 million for these activities, it doesn't appear that a final authorization bill will be enacted into law prior to the adjournment of Congress. Therefore the Committee has taken this action to provide protection for visitors at Corps recreation areas.

The fiscal year 1980 Supplemental Appropriation Act as well as the fiscal year 1981 Energy and Water Development Appropriation

Act provides funds to enable the Corps of Engineers to clean out the channel below Sardis Lake, Miss. The Committee took this action in response to statements made in the hearings which indicated that rock and gravel are clogging the channel below Sardis Lake and retarding the flow of water during the nonfarming season and causing major flooding of an emergency nature. To date this much needed work has not been accomplished.

The Committee wishes to reemphasize its remarks as contained in the reports accompanying the fiscal year 1980 Supplemental Appropriation Bill and the fiscal year 1981 Energy and Water Development Appropriation Bill and again directs the Corps to clean out the channel beginning below Sardis Lake in order to increase the flow capability to get water out of the reservoir in the non-farming period of the year.

The material to be disposed of from this project is not to be deposited on adjacent farmland, rather the Corps is to use slashes, sloughs, pot holes, and other poor farmland in the general area.

The resolution continues certain programs of the Appalachian Regional Commission in accordance with the provisions of the applicable appropriations Act and pursuant to the Appalachian Regional Development Act of 1965, as amended, notwithstanding the provisions of Section 405 of said Act.

The Appalachian Regional Commission is directed to accelerate the construction of a new two-lane Highway 72 in Mississippi as presently planned which parallels the existing highway. In Public Law 95-482, Congress provided $6 million to the Appalachian Regional Commission for the Goodman Road project in Marshall and Benton Counties, Miss. The Appalachian Regional Commission should proceed with the work on Goodman Road in such manner that a reasonable percentage of the road can be completed in each year that the local share is made available.

8. Section 101(j) provides authority for the low income energy assistance program at the amount and under the terms, conditions and State allocations approved in the Conference Report on the First Continuing Resolution (P.L. 96-369).

9. Section 101(k) provides continuing authority for the Agriculture Appropriations bill at the rate provided for in the House passed bill.

10. Section 101(l) provides continuing authority for the District of Columbia Appropriations bill at the rate provided for in the conference report.

11. Section 101(m) provides continuing authority for the HUD-Independent Agencies Appropriations bill at the rate provided for in the conference report.

12. Section 101(n) provides continuing authority for the Interior Appropriations bill at the rate provided for in the act adopted by the House of Representatives on November 21, 1980.

13. Section 101(o) provides continuing authority for the State, Justice Appropriations bill at the rate provided for in the act adopted by the House of Representatives on November 21, 1980.

REFINANCING OR MORATORIUM ON LOAN REPAYMENTS MAY BE NECESSARY

Evidence before the Committee and other committees points up the fact that many of those engaged in business, manufacturing, retailing or agriculture face the imminent threat of bankruptcy or liquidation because of high costs and/or poor crops. Four short crop years coupled with spiraling increases in costs have left many farmers and businesses short of cash. Yet, in many cases though, the businessman or the farmer has assets far in excess of his outstanding indebtedness. If these business interests are forced into bankruptcy at this time or forced to liquidate their assets to prevent bankruptcy, it would jeopardize the national economy. Certainly, it would spread.

The news media regularly reports such situations facing major corporations. Small businesses of all kinds, as well as many farmers, face the same situation. Both the Small Business Administration and the Farmers Home Administration have existing authority and we are providing funds to help meet this problem. Section 1981 of title VII of the United States Code sets forth the Secretary of Agriculture's authority in this area. It provides a means of refinancing, stretching out the repayment date, and perhaps postponing a year's payments and interest, when the facts justify such action.

The Small Business Administration also has the authority to temporarily defer or extend the maturity date of loan repayments where the circumstances warrant. Sections 636 (b) and (c), (1) and (2) of title XV of the United States Code sets forth SBA's authority.

Therefore, the Approriations Committee will expect both the Farmers Home Administration and the Small Business Administration to provide procedures for meeting these problems, including refinancing, deferral of interest payments and even a moratorium of repayment, in those individual cases where necessary and warranted to avoid bankruptcy or forced sale of assets.

The economic recovery of the Nation depends on keeping people producing—not forcing them into bankruptcy.

COMPLIANCE WITH THE RESOLUTION

It is essential that officials responsible for administering programs during the period covered by the resolution take only the limited action necessary for orderly continuation of projects and activities, preserving to the maximum extent possible the flexibility of Congress in arriving at final decisions. Accordingly, the rates of operation for programs and activities under the resolution are to be interpreted as ceilings and not as mandatory spending levels. This is necessary in order to preserve congressional prerogatives in the course of the regular authorization and appropriation process. The Committee expects that departments and agencies will carefully avoid the obligation of funds, for specific budget line items or program allocations on which congressional committees may have expressed strong criticism, at rates which would impinge upon discretionary decisions otherwise available to the Congress.

CONTINUING RESOLUTION RATES

Various sections of the continuing resolution refer to a "rate for operations not in excess of the current rate." Agencies should operate as cautiously as possible until regular appropriations are enacted. In most cases, the total appropriation for the current year should serve as the upper limit in determining the current rate for operations. Nevertheless, the "current rate" should not be interpreted as requiring cutbacks in ongoing program levels which Congress has approved.

The Committee notes that where programs were authorized to expand during the current year, it is likely that the cost of operating the program for a full year at the rate achieved at the end of the current year would exceed the total cost for the program in the current year. The current rates for operations should be construed to maintain individual program and activity levels except where Congress has expressed a contrary intent with respect to specific programs. In addition, the Committee wishes to point out that a continuing resolution is legislation as well as providing appropriations.

INFLATIONARY IMPACT STATEMENT

Clause 2(l)(4) of rule XI of the House of Representatives requires that each Committee report on a bill or resolution shall contain a statement as to whether enactment of such bill or resolution may have an inflationary impact on prices and costs in the operation of the national economy.

The accompanying resolution simply extends the availability of funds and authorities for ongoing programs of the Federal Government for which fiscal year 1981 appropriations were not enacted by October 1. The philosophy of the continuing resolution is to provide funding for the orderly continuation of existing programs for the interim period until regular appropriation bills are enacted. By definition, such programs have previously been authorized and funded by the Congress and signed into law.

In view of the fact that this resolution merely represents a temporary extension of existing and previously approved programs, and considering the levels of funding which obtain under the mechanics of the resolution, it is the judgment of the Committee that its enactment will not have an additional inflationary impact on prices and costs in the operation of the economy.

COMPLIANCE WITH RULE XIII, CLAUSE 3

The following is submitted in compliance with rule XIII, clause 3 of the Rules of the House of Representatives:

The accompanying joint resolution would amend section 120(b) of the Water Resources Development Act of 1976 (90 Stat. 2924) by striking out (per bracket) as follows:

> (b) There is authorized to be appropriated $6,000,000 per fiscal year [for the fiscal years ending September 30, 1978, and September 30, 1979,] to carry out this section.

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